



United States Senate
**Committee on Small Business
and Entrepreneurship**

Olympia J. Snowe, Chair

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<http://sbc.senate.gov>

For Immediate Release
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**Snowe: "More Remains to Be Done to Address China's
Currency Manipulation"**

Senator Believes China's Actions on Currency Are a Step in Right Direction, But More Must Be Done

WASHINGTON, D.C. - U.S. Senator Olympia J. Snowe, Chair of the Senate Committee on Small Business and Entrepreneurship, issued the following statement in response to China's announcement today that it is upwardly revaluing its currency, the yuan, by 2.1 percent and that it has replaced its practice of a fixed dollar peg, for a system based on a basket of currencies:

"While today's announcement by China is a step in the right direction toward a more flexible, market-based exchange rate for its currency, many unanswered questions remain. For those of us in Congress who have long fought Chinese currency manipulation, it is unclear how this new system will be implemented. I caution that much more remains to be done to ensure that China's Yuan is brought in line with underlying market conditions so that American manufacturers and products are treated fairly in international markets.

"Even with today's action by the government of China, I will continue to press for Senate consideration of the 'Fair Currency Practices Act of 2005,' legislation to force nations to live up to their international obligations and stop undervaluing their currencies. Currency manipulation must be addressed or American industry will unfairly suffer."

The Fair Currency Practices Act (S. 984) has three key provisions. The first would alter the criteria by which the Treasury Department is required to enter into negotiations with foreign countries that it labels as currency manipulators. The second would further clarify the working definition of manipulation under the Exchange Rates and International Economic Policy Coordination Act of 1998. Finally, the Fair Currency Practices Act would instruct Treasury to undertake an extensive examination of China's trade surplus, with particular attention paid to China's suspect trade data, and report on its findings.

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